

DEPARTMENT OF THE ARMY
Omaha District, Corps of Engineers
6014 U.S. Post Office and Courthouse
Omaha, Nebraska 68102

DM 1180-1-8

MROSD

Memorandum
No. 1180-1-8

1 April 1983

Contracts
UTILITY CONTRACTS STANDARD OPERATING PROCEDURES

1. Purpose. To outline procedures for negotiating and administering Civil and Military Utility Service Contracts.

2. Applicability. This memorandum applies to all Technical Divisions of the Omaha District, including Field Offices.

3. References.

- a. DAR Supplement No. 5.
- b. AR 440-41.
- c. ECI 1-450.2(d).

4. Definitions. A utility service is the acquisition of electricity, natural gas, water sewage, or steam. A utility service contract contains the conditions of service, technical requirements, and applicable rates. If additional facilities, lines, equipment, etc., are required to bring the utility service to the site, this may be accomplished by means of a connection charge in the utility service contract. Although the additional required facilities, etc., would normally be considered "Construction" if accomplished on a Government site, it is not considered as such in a utility service contract; therefore, there is no necessity to include Davis Bacon Labor Rates or other normal construction-type clauses in the contract. The Government is actually seeking a continuing supply of service and is not normally directly involved in the actual construction of the connecting lines and facilities. Although the design criteria of the utility may be checked during negotiations, the Government would not normally inspect the construction of the lines. Sometimes, the Government feels that it would be in its best interest for the utility to construct, own, and maintain "on-base" distribution lines and equipment. For military projects, this fact should be included in the authorizing legislation.

5. Responsibilities and Procedures.

a. Engineering Division.

(1) Makes necessary studies and surveys to determine the services required including facilities, load data, etc.

(2) Determines potential source(s) of supply.

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(3) Prepares technical services specifications.

(4) Ascertains funding implications and prepares necessary budget justifications.

(5) Participates in the negotiations of the contract.

(6) Prepares requisition and furnishes it and necessary technical data to Procurement and Supply Division.

(7) Reviews and approves connection payment requests.

(8) Prepares Government Estimate for both service and connection.

b. Procurement and Supply Division.

(1) Prepares draft contract to be used during negotiations.

(2) Requests proposals from all available sources of supply.

(3) Determines type of contract (Lump Sum, Cost Reimbursable, etc.) to be used.

(4) Negotiates contract.

(5) Requests participation in negotiations from other elements of the District when required.

(6) Prepares contract in final form, obtains necessary signatures, and any required approvals from higher authority, such as the Army Power Procurement Officer's Representative (MRD), or the Army Power Procurement Officer (OCE).

(7) Requests audits from the Omaha Resident Auditor for Cost Reimbursable Contracts or for Lump Sum Contracts where the connection charge is in excess of \$500,000.

(8) Negotiates Modifications to the Contract.

c. Office of Counsel. Provides legal advice and participates in negotiations when requested by Procurement and Supply Division.

d. Real Estate Division. Furnishes Procurement and Supply Division information pertaining to real estate features of the proposed contract.

e. Construction Division.

(1) When requested, reviews technical or other aspects of the proposed contract.

(2) Participates in negotiations when requested.

f. Omaha Resident Audit Office.

(1) When requested by Procurement and Supply Division, audits civil projects and requests and coordinates audits from the Defense Contract Audit Agency for military projects for connection charges in excess of \$500,000.

(2) Makes arrangements with DCAA for the performance of audits involving military contracts which involve cost reimbursable provision; audits civil contracts with cost reimbursable provision.


g. Field Offices.

(1) Monitors the progress of any off-base construction work, and keeps the District office informed of any impact on the overall project.

(2) Notifies the District Office when work is completed.

(3) Coordinates utility work with other on-going work.

FOR THE COMMANDER:


GRANT L. FREDRICKS
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Deputy Commander

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